

MASTER LEASE PURCHASE AGREEMENT

BETWEEN

THE STATE OF IOWA

(Acting by and through the Treasurer of State)

AND

DATED AS OF _____

THIS MASTER EQUIPMENT LEASE PURCHASE AGREEMENT dated as of _____, 2013, by and between the State of Iowa (the "State"), acting by and through the Treasurer, and _____, a corporation organized and existing under and pursuant to the laws of the State of _____, ("Lessor").

WITNESSETH:

WHEREAS, boards, commissions, bureaus, divisions, offices, departments and branches of the State government, not including the board of regents or institutions governed by the board of regents or authorities created under Chapters 16, 16A, 175, 257C, 261A or 327I of the Iowa Code (individually, each a "State Agency" or collectively, "State Agencies") desire to finance from time to time the acquisition of necessary personal property; and

WHEREAS, the Treasurer has been authorized by Iowa Code Section 12.28 (the "Act") to enter into lease purchase financing agreements on behalf of State Agencies to finance the acquisition of such personal property; and

WHEREAS, the Lessor is willing to finance the acquisition of such personal property and to lease such property to the State pursuant to this Lease Agreement, and the State of Iowa, acting by and through the Treasurer, is willing to lease such personal property from the Lessor pursuant to this Lease Agreement;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto mutually agree as follows:

ARTICLE I

DEFINITIONS AND EXHIBITS

Section 1.1. Definitions. The terms set forth in this section shall have the meanings ascribed to them for all purposes of this Lease Agreement unless the context clearly indicates some other meaning.

"AAA MMD Index" means the AAA Municipal Market Data General Obligation Yield as published by Thompson Financial Municipals Group on any business day to paid subscribers on Municipal Market Dataline, or if such index is no longer established and published, such other index as the parties agree is comparable to the AAA MMD Index.

"Aggregate Lease Payment" shall mean, as of each Lease Payment Date, all Lease Payments then due from Lessee to Lessor hereunder with respect to all Equipment Groups then subject hereto.

"Amortization Summary Sheet" shall mean the document substantially in the form attached hereto as Exhibit 3 prepared by Lessor and submitted to Lessee with respect to any Equipment Group.

"Authorized State Representative" shall mean the Treasurer and any person or persons designated by the Treasurer and authorized to act on behalf of the State as certified by a written certificate in the form of Exhibit 4 signed on behalf of the State by the Treasurer and containing the specimen signature of each such person.

"Code" means the Internal Revenue Code of 1986, as the same shall be amended from time to time, and regulations lawfully promulgated thereunder or, to the extent applicable, under prior provisions of such Code.

"Cost" shall mean and be deemed to include, with respect to any Equipment Group, (a) costs of acquisition, installation and financing of such Equipment Group, including, but not limited to, shipping and handling charges, costs of feasibility, environmental and other reports, inspection costs, permit fees, filing and recording costs, printing costs, reproduction and binding costs, financing documents, legal fees and charges, financial, accounting and other professional consultant fees, and fees for printing; (b) all other capital costs which Lessee or Lessor shall be required to pay under the terms of any contract or contracts for the acquisition of any Equipment Group; and (c) such other capital expenses not specified herein as may be necessary or incidental to the acquisition of any Equipment Group, the financing thereof and the placing of the same in use and operation. Cost as defined herein shall be deemed to include the cost and expenses incurred by any agent of the Lessee for any of the above mentioned items.

"Disbursement(s)" shall mean the payment by Lessor to the vendor therefor or an Escrow Agent, as the case may be, of the Costs of any Equipment Group described in a Request for Disbursement submitted by Lessee pursuant to Section 3.1 of this Lease Agreement.

"Equipment" shall mean any personal property subject to this Lease.

"Equipment Group" shall mean the personal property listed on any Equipment Identification Certificate.

"Equipment Identification Certificate" shall mean a certificate substantially in the form attached hereto as Exhibit 2 describing the personal property in an Equipment Group.

"Escrow Agent" means the entity named as escrow agent in any Escrow Agreement and so acting pursuant thereto.

"Escrow Agreement" means an Escrow Agreement relating to any Equipment Group, by and between Lessee and Escrow Agent, the form of which is substantially similar to that attached as Exhibit 7.

"Fiscal Year" shall mean the twelve-month fiscal period of the State which commences on July 1 in every year and ends on June 30 of the succeeding year, or any such other fiscal year as the State of Iowa may adopt.

"Index" means the AAA MMD Index or, if such Index is no longer established and published, such other index as the parties hereto agree is comparable to the yield curve so published by Thompson Financial Municipals Group.

"Lease Agreement" or "Lease" shall mean this Master Lease Purchase Agreement dated as of _____, 2013, between the Lessor and the Lessee, and any and all modifications, alterations, amendments and supplements hereto made in accordance with the provisions hereof.

"Lease Payments" shall mean all amounts payable by Lessee pursuant to the terms of this Lease Agreement allocable to any specific Equipment Group.

"Lease Payment Date" shall mean any date on which a Lease Payment is due in accordance with Section 3.2 hereof.

"Lease Term" shall mean the period during which this Lease Agreement or the lease of any Equipment Group, as the case may be, is in effect as specified in Section 4.3 hereof.

"Lessee" shall mean the State of Iowa, acting by and through the Treasurer.

"Net Proceeds" shall mean any insurance or condemnation proceeds paid with respect to any Equipment, remaining after payment therefrom of all expenses incurred in the collection thereof; and, with respect to insurance, if and at such time as Lessee elects to provide self-insurance under Section 5.17 of this Lease Agreement, any moneys payable from funds of the State which may lawfully be expended for the purposes for which such self-insurance is provided.

"Nonappropriation" shall mean the failure by the Iowa General Assembly or the Governor of the State of Iowa ("Governor") to grant authority or to appropriate or approve the appropriation of funds sufficient to enable Lessee to pay any Lease Payment under this Lease Agreement or to enable Lessee to meet or perform any other obligations it may have under this Lease Agreement. Nonappropriation shall also include any circumstance in which any funds needed or required to enable Lessee to pay any Lease Payments under this Lease Agreement or to meet or perform any other obligation of Lessee under this Lease are: (i) lawfully de-appropriated or reduced, (ii) not allocated or allotted, or (iii) otherwise insufficient or not legally available.

"Permitted Encumbrances" shall mean with respect to any Equipment Group and as of any particular time: (i) liens for taxes and assessments (if any) not then delinquent, or which the Lessee may, pursuant to the provisions of this Lease Agreement, permit to remain unpaid, (ii) this Lease Agreement, (iii) Lessor's interest in such Equipment, (iv) any mechanic's, laborer's, materialmen's, supplier's or vendor's lien or right not filed or perfected in the manner prescribed by law, other than any lien arising through a manufacturer or supplier of any Equipment, and any other lien which the Lessee may, pursuant

to the provisions of this Lease Agreement, permit to remain unpaid; and (v) rights reserved to or vested in any municipality or governmental or other public authority to contract or regulate.

"Purchase Option Price" shall mean, with respect to any Equipment Group shown on any Equipment Identification Certificate and as of each Lease Payment Date, the amount set forth on the Amortization Summary Sheet with respect thereto for which the Lessee may prepay its obligations hereunder.

"Request for Disbursement" shall mean a certificate substantially in the form attached hereto as Exhibit 1, executed by Lessee and delivered to Lessor.

"Security Deposit Obligations" shall mean and include any securities that are legal for investment of State funds.

"State" shall mean the State of Iowa.

"Treasurer" shall mean the duly elected Treasurer of the State.

Section 1.2. Exhibits. The following Exhibits are attached to and by this reference made a part of this Lease Agreement:

Exhibit 1: Form of Request for Disbursement

Exhibit 2: Form of Equipment Identification Certificate

Exhibit 3: Form of Amortization Summary Sheet

Exhibit 4: Certificate of Incumbency

Exhibit 5: Form of Investment Letter

Exhibit 6: Form of Opinion of Counsel to Lessee

Exhibit 7: Form of Escrow Agreement

Section 1.3. Interpretation. In this Lease Agreement, unless the context otherwise clearly requires, references to the plural include the singular, references to the singular include the plural, and the word "or" has the inclusive meaning represented by the phrase "and/or." The words "include" and "including" shall be deemed to be followed by the phrase "without limitation." The words "hereof," "herein," "hereunder," "hereby," "hereto," and similar terms in this Lease Agreement refer to this Lease Agreement as a whole and not to any particular provision of this Lease Agreement.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.1. Representations, Covenants and Warranties of Lessee. Lessee represents and warrants as of the date hereof:

- (a) Lessee is governed by the Constitution and laws of the State.
- (b) The Constitution and the laws of the State authorize Lessee to enter into this Lease Agreement and the transactions contemplated hereby and thereby, and to carry out its obligations under this Lease Agreement.
- (c) This Lease Agreement has been duly authorized, approved, executed and delivered by and on behalf of the Lessee.
- (d) The Lessee has complied with all applicable open meeting laws, public bidding laws and all other State laws applicable to Lessee in connection with its performance under this Lease Agreement. Lessor agrees that Lessee may rely upon representations of compliance by State Agencies.
- (e) The Equipment will be used during the Lease Term only to carry out the governmental purposes of the Lessee. Lessor agrees that Lessee may rely upon representations or covenants to this effect by State Agencies.

Section 2.2. Representations, Covenants and Warranties of Lessor. Lessor represents, covenants and warrants as follows:

- (a) Lessor is a corporation duly organized, existing and in good standing under the laws of the State of _____; is duly qualified as a foreign corporation qualified to do business in the State; has full and complete power to enter into this Lease Agreement and to enter into and carry out the transactions contemplated hereby and thereby, and to carry out its obligations under and contemplated by this Lease Agreement; is possessed of full power to own and hold real and personal property, and to lease the same; and has duly authorized the execution and delivery of this Lease Agreement.
- (b) Neither the execution and delivery of this Lease Agreement, nor the fulfillment of or compliance with the terms and conditions hereof nor the consummation of the transactions contemplated hereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which Lessor is now a party or by which Lessor or its property is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of Lessor, or upon any of the Equipment, except Permitted Encumbrances.
- (c) Upon termination of this Lease with respect to any Equipment Group for either of the reasons specified in Section 5.8, Clauses (c) and (d), the Lessor's security interest, leasehold interest and any other interests in such Equipment shall terminate, and the Lessor will: (i) deliver to Lessee all documents which are or may be necessary to vest all of Lessor's right, title and interest in and to such Equipment Group in Lessee, free and clear of all liens, leasehold interests, and encumbrances; and (ii) release all liens, interests and encumbrances created under this Lease Agreement with respect to such Equipment Group.

(d) Lessor is acquiring its interest in the Lease Agreement for its own account for the purpose of investment and not for resale or distribution thereof and that it has no present intention of selling, negotiating or otherwise disposing of such interest to any other entity. The acquisition and funding of this Lease Agreement is not made with a view toward the public distribution of the Lease Agreement or any Lease Payments or Aggregate Lease Payments or for the purpose of offering, selling or otherwise participating in any other public distribution of the Lease Agreement or any Lease Payments or Aggregate Lease Payments.

(e) The Lease Agreement will not be registered under the Securities Act of 1933, as amended, or any state securities law. The Lessor hereby covenants that neither the Lease Agreement nor any Lease Payments nor any Aggregate Lease Payments or any portion thereof will be transferred, offered or sold unless (i) Lessor and its assigns have complied with all Federal and state securities laws applicable thereto and (ii) all of the conditions precedent set forth in Section 7.1 hereof have been satisfied.

ARTICLE III

Section 3.1. Equipment Lease Provision: Disbursements.

(a) Disbursement Amounts and Periods, Acquisition of Equipment. Lessor agrees to acquire, or cause to be acquired, Equipment Groups in one or more Disbursements which, in the aggregate, will not exceed [\$_____] per year during the period commencing on the date of the first Disbursement hereunder and ending not later than [_____, 2017].

(b) Disbursement Procedures. Requests for Disbursement shall be executed and delivered by an Authorized State Representative to Lessor for each Disbursement specifying the amount of the Disbursement and the vendors to whom the Disbursement proceeds shall be paid or that such Disbursement shall be paid into escrow as provided in Section 3.4, and shall be accompanied by the Equipment Identification Certificate(s) with respect thereto, provided that if the Disbursement is made to an Escrow Agent, the certification at the bottom of the Equipment Identification Certificate need not be completed by the State Agency. Lessor shall prepare an Amortization Summary Sheet with respect to each Equipment Identification Certificate and shall attach such Amortization Summary Sheet(s) to the Request for Disbursement. Lessee may file multiple Requests for Disbursement which seek disbursement of funds on the same disbursement date. Any Request for Disbursement shall be delivered to Lessor not less than five (5) business days prior to the date of Disbursement. Funds for the acquisition of an Equipment Group shall be disbursed by Lessor to the vendor(s) of the Equipment Group or an Escrow Agent as directed in the Request for Disbursement on the 15th day of the month of submission of the Request for Disbursement or the 1st day of the month following submission of the Request for Disbursement whichever occurs first (unless such day falls on a weekend or legal holiday in which event the payment shall be made on the following business day), or such other day as Lessor and Lessee may agree.

(c) Amortization Periods. At the time each Request for Disbursement is filed, Lessee shall classify each Equipment Group as having a useful life of 24 months, 36 months, 48 months, 60 months, 72 months, 84 months, 96 months, 108 months, 120 months, 144 months, 180 months, and 240 months. The Amortization Summary Sheet shall provide for level aggregate payments of principal and interest for each Equipment Group. For purposes of preparing the Amortization Summary Sheet for any Equipment Group subject to any Request for Disbursement, the Lease Term with respect to such Equipment Group shall be the useful life assigned by Lessee to the Equipment Group, unless otherwise agreed to by the parties; provided that if the date of Disbursement with respect to any Equipment Group is one month or less from the next Aggregate Lease Payment due date as set forth in Section 3.2, Lease Payments for such Equipment Group shall commence on the second such Aggregate Lease Payment due date following the date of Disbursement, and the Lease Term for such Equipment Group shall be the stated useful life thereof, plus the period from the Disbursement relating thereto to such second Aggregate Lease Payment due date.

Section 3.2. Aggregate Lease Payment. Unless otherwise provided in an Amortization Summary Sheet, Lessee shall pay Lessor quarterly in arrears an Aggregate Lease Payment amount equal to the aggregate total of all Lease Payments scheduled on all of the Amortization Summary Sheets relating to all Equipment Groups for which the Lease Term has not been terminated. Unless otherwise provided in an Amortization Summary Sheet, each such payment shall be due on the first day of each July, October, January and April following the date of the first Disbursement.

Section 3.3. Interest Rate. The interest charged on moneys disbursed pursuant to this Lease Agreement to a vendor or into escrow in accordance with Section 3.4, as the case may be, shall accrue

beginning on the date of such disbursement and shall be at an annual interest rate for a comparable term of borrowing based upon the Index announced on the date of receipt by Lessor of the Request for Disbursement, increased:

by [] basis points for all moneys disbursed for Equipment Groups assigned a useful life of 24 months,
by [] basis points for all moneys disbursed for Equipment Groups assigned a useful life of 36 months,
by [] basis points for all moneys disbursed for Equipment Groups assigned a useful life of 48 months,
by [] basis points for all moneys disbursed for Equipment Groups assigned a useful life of 60 months,
by [] basis points for all moneys disbursed for Equipment Groups assigned a useful life of 72 months,
by [] basis points for all moneys disbursed for Equipment Groups assigned a useful life of 84 months,
by [] basis points for all moneys disbursed for Equipment Groups assigned a useful life of 96 months,
by [] basis points for all moneys disbursed for Equipment Groups assigned a useful life of 108 months,
by [] basis points for all moneys disbursed for Equipment Groups assigned a useful life of 120 months,
by [] basis points for all moneys disbursed for Equipment Groups assigned a useful life of 144 months,
by [] basis points for all moneys disbursed for Equipment Groups assigned a useful life of 180 months,
by [] basis points for all moneys disbursed for Equipment Groups assigned a useful life of 240 months.
The payment of interest under this Lease Agreement shall be subject to Iowa Code Chapter 74A.

Section 3.4. Escrow Deposit Option. Lessee shall have the option of requesting Lessor to deposit the Disbursement with respect to any Equipment Group into escrow, in which event such Disbursement shall be paid to an Escrow Agent at the time provided in Section 3.1(b) and shall be held, invested and administered as provided in the Escrow Agreement. Lessee shall become obligated to pay Lease Payments with respect to the Equipment Group as to which such Disbursement is made as of the date of the deposit of such Disbursement into escrow. Lessee shall not be required to pay any fees, charges or other amounts associated with the Escrow Agent if Lessee uses the external escrow services arranged by Lessor. Lessee will be responsible for escrow setup fees in the event Lessee chooses its own Escrow Agent instead of using the external escrow services arranged by Lessor.

ARTICLE IV

LEASE OF EQUIPMENT

Section 4.1. Lease. Lessor agrees to acquire, or cause to be acquired, the Equipment Groups to be identified as provided herein and hereby agrees to lease such Equipment Groups to the Lessee. Lessee agrees to take and lease from the Lessor the Equipment Groups for the consideration recited herein.

Section 4.2. Lessor's Agent. Lessor hereby agrees that Lessee, as Lessor's agent, may acquire each Equipment Group pursuant to the terms and conditions set forth in this Lease Agreement.

Section 4.3. Lease Term. This Lease Agreement shall be in effect for a Lease Term commencing as of the date of first Disbursement, and continuing until terminated as provided in Section 5.14. The Lease Term for any Equipment Group shall be deemed to commence as of the date of first Disbursement for such Equipment Group and continue until terminated as provided in Section 5.8.

ARTICLE V

LEASE PAYMENTS; OTHER OBLIGATIONS

Section 5.1. Payment of Lease Payments. Lessee shall pay the Lease Payments with respect to all of the Equipment Groups, at the times specified in Section 3.2 hereof and in the amounts as set forth in all Amortization Summary Sheets with respect thereto. The Lease Payments shall be payable by check, warrant or draft mailed to Lessor at its address specified herein, or to such other person or entity and at such other address as Lessor may designate by written notice to Lessee, in lawful money of the United States of America or, upon written request of Lessor, by wire transfer to an account in any financial institution located in the continental United States.

Section 5.2. Source of Lease Payments; Lease Payments to Constitute Currently Budgeted Expense. The obligations of Lessee under this Lease, including its obligation to pay the Lease Payments due with respect to any Equipment Group in any Fiscal Year for which this Lease is in effect, shall constitute a current, budgeted expense of Lessee for such Fiscal Year and shall not constitute a debt within the meaning of the Constitution and laws of the State. Nothing in this Lease Agreement shall directly or indirectly obligate the Lessee, the State, or any State Agency to make any payments hereunder beyond those budgeted and appropriated for said purpose for Lessee's then current Fiscal Year. All Lease Payments and all other obligations hereunder shall be paid solely from funds so budgeted and appropriated for said purposes.

All obligations of Lessee under this Lease Agreement, including, without limitation, Lessee's obligation to make Lease Payments hereunder, shall be subject at all times to Nonappropriation and to Lessee's right to terminate as provided in Section 5.4. The State, the Iowa General Assembly and the Governor shall have no continuing obligation to appropriate or approve the appropriation of funds for the payment of Lease Payments or any other obligation hereunder. Notwithstanding anything in this Lease Agreement to the contrary, the payment of Lease Payments and other obligations under this Lease Agreement shall not constitute a mandatory charge or a requirement in any ensuing Fiscal Year beyond the then current Fiscal Year for which funds have been appropriated for the payment thereof, and no provision of this Lease Agreement shall be construed or interpreted as creating a continuing obligation of the Lessee in any Fiscal Year beyond the Fiscal Year for which funds have been appropriated for the payment of Lease Payments.

Notwithstanding any other provision of this Lease Agreement to the contrary, this Lease Agreement shall not constitute or create a debt or general obligation of the State or any agency, department, governmental unit, instrumentality or political subdivision of the State, and neither the faith and credit nor the taxing powers of the State or of any political subdivision are pledged for the payment of any Lease Payments or other amounts coming due hereunder or for the performance by the Lessee of any obligation hereunder. No provisions of this Lease Agreement shall be construed to pledge or create a lien on any class or source of funds of the State or any agency, department, governmental unit, instrumentality or political subdivision of the State.

Section 5.3. Lease Payments to be Unconditional. Except as otherwise provided in this Lease Agreement (including, without limitation, Article V) or applicable law, the obligation of Lessee to make Lease Payments or any other payment required hereunder shall be absolute and unconditional. Nothing herein shall be construed to release the Lessor from the performance of its obligations hereunder; and if Lessor should fail to perform any such obligation, Lessee may institute such legal action against Lessor as Lessee may deem necessary to compel the performance of such obligation or to recover damages therefor.

Section 5.4. Non-appropriation; Termination of Lease Payments. In the event of Nonappropriation, Lessee shall have the right to terminate this Lease and Lessee's obligations to make Lease Payments with respect to any Equipment Group, without penalty, in the manner and subject to the terms specified in this Section 5.4 and Section 5.5. Lessee may effect such termination by giving Lessor a written notice of termination. Lessee shall endeavor, but is not required, to give notice of a possible termination not less than thirty days prior to the end of a Fiscal Year.

Section 5.5. Effect of Termination. Upon termination with respect to any Equipment Group as provided in Section 5.4, and notwithstanding any other provision of this Lease Agreement to the contrary, Lessee shall only be required to pay to the Lessor any Lease Payments due hereunder with respect to such Equipment Group at or before the end of the Fiscal Year for which appropriations have been previously made and are legally available; provided, however, that Lessee shall not be obligated to pay any Lease Payments or other obligations hereunder that are not already due and payable prior to Nonappropriation. Lessee shall have no obligation to pay any additional Lease Payments coming due with respect to such Equipment Group, including, without limitation, any Lease Payments coming due in succeeding Fiscal Years. Lessee shall not be liable under any circumstance whatsoever for any costs or damages (including, but not limited to, general, special, incidental, consequential or other damages) resulting from any termination pursuant to Section 5.4 or from Nonappropriation. Lessor shall not take any action at law or in equity to collect amounts due and payable under the Lease by accelerating the payment of any Lease Payments.

Section 5.6. Return of Equipment. Upon the termination as provided in Section 5.4 with respect to any Equipment Group, Lessee shall return the applicable Equipment Group to Lessor, at Lessee's expense, within sixty (60) days of the effective date of such termination; and Lessee shall convey title to such Equipment Group to and in the name of Lessor and shall deliver to the Lessor all necessary documents to evidence such conveyance. Notwithstanding any other provision of this Lease to the contrary, in the event of such termination, the sole and complete remedy of the Lessor or its assigns shall be the return of the applicable Equipment Group as provided in this Section 5.6, or, in the event Lessee fails to return such Equipment Group as provided in this Section 5.6, the sole and complete remedy of Lessor or its assigns shall be to enter the premises where such Equipment Group is located and take possession of any items of said Equipment Group for which payment has not been fully made by Lessee. Permission for entry to take possession must be obtained from the Lessee; such permission will not be unreasonably withheld. Notwithstanding the foregoing, Lessee shall have no obligation to return to Lessor and Lessor may not take possession of any Equipment Group, or any items or part thereof, to the extent that removal from the property or site on which it is installed is likely to cause damage to such property or site.

Section 5.7. Quarterly Invoice. Fifteen (15) calendar days in advance of the due date for each quarterly Aggregate Lease Payment, Lessor shall submit to Lessee a written invoice stating the Aggregate Lease Payment due on the next Lease Payment Date, and showing the portion thereof comprising each Rental Payment then due with respect to each Equipment Group.

Section 5.8. Termination of Lease Term. The term of this Lease will terminate with respect to any Equipment Group upon the occurrence of the first of the following events:

- (a) the termination of the Lease Payment obligation with respect thereto pursuant to Section 5.4;
- (b) a default by Lessee and Lessor's election to terminate this Lease with respect to such Equipment Group pursuant to Article VIII;

(c) the exercise by Lessee of its option to purchase any Equipment Group pursuant to Article VII; or

(d) the payment of all Lease Payments required to be paid by Lessee with respect thereto.

Section 5.9. Acceptance. Upon delivery of each Equipment Group to Lessee, Lessee will in a reasonably timely manner either (a) cause the same to be inspected and, if such Equipment Group is found to be in good condition, accept such Equipment Group and execute and deliver an Equipment Identification Certificate with respect thereto, or (b) find that such Equipment Group is not in good condition and return the same to the manufacturer or supplier thereof.

Section 5.10. Lessee's Liability. As between the Lessor and Lessee, Lessee assumes liability for all risks of loss during the acquisition, delivery and installation of each Equipment Group. Lessee shall maintain, or require each manufacturer or supplier of each item of Equipment to maintain, in force during the entire acquisition, delivery and installation period of such item of Equipment, property damage insurance in an amount not less than the full value of all work done and materials and Equipment provided or delivered by each such manufacturer or supplier, comprehensive liability insurance, worker's compensation insurance and other insurance required by law or customarily maintained with respect to like equipment. In the event the Lessee receives any damages or other moneys from any manufacturer or supplier of Equipment or its surety pursuant to this Section 5.10 such moneys shall be paid to Lessee to the extent necessary to complete the acquisition of such item of Equipment.

Section 5.11. Possession and Enjoyment. From and after the installation and acceptance by Lessee of each Equipment Group in accordance with the terms of this Lease Agreement, Lessee shall have the quiet use and enjoyment of such Equipment Group, and Lessee shall during such Lease Term peaceably and quietly have and hold and enjoy such Equipment Group, without suit, trouble or hindrance from Lessor, except as expressly set forth in this Lease Agreement. Lessor will, at the request of Lessee and at Lessee's cost (such cost to be reasonable), join in any legal action in which Lessee asserts its right to such possession and enjoyment to the extent Lessor lawfully may do so.

Section 5.12. Disclaimer of Warranties. THE LESSOR BY DELIVERY OF THIS LEASE AGREEMENT MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF ANY ITEM OF EQUIPMENT, OR WARRANTY WITH RESPECT THERETO.

Section 5.13. Manufacturers' Warranties. The Lessor hereby appoints Lessee its agent and attorney-in-fact during the Lease Term of each Equipment Group to assert from time to time whatever claims and rights, including warranties applicable to such Equipment Group, which Lessor may have against the manufacturer or supplier of any item of Equipment. Lessee's sole remedy for the breach of such warranty, indemnification or representation shall be against the manufacturer or supplier of such item of Equipment, and not against the Lessor, nor shall such matter have any effect whatsoever on the rights of the Lessor with respect to this Lease Agreement, including the right to receive full and timely payments hereunder. Lessee expressly acknowledges that the Lessor has made no representation or warranty whatsoever as to the existence or availability of such warranties of the manufacturer or supplier of any item of Equipment.

Section 5.14. Termination of Entire Lease Agreement. This Lease Agreement will terminate in whole upon termination pursuant to Section 5.8 hereof of this Lease Agreement with respect to all Equipment Groups at any time subject thereto.

Section 5.15. Maintenance of Equipment by Lessee. Lessee agrees that at all times during the Lease Term, Lessee will, at Lessee's own cost and expense, maintain, preserve and keep each item of Equipment subject hereto in good repair, working order and condition, and that Lessee will from time to time make or cause to be made all necessary and proper repairs, replacements and renewals thereto.

Section 5.16. Taxes. Iowa Code Section 427.1(1) exempts property owned by Lessee from personal property tax. The Lessee will not be liable to pay any taxes incurred by the Lessor with respect to the Lessor's income in connection with this Lease Agreement.

Section 5.17. Provisions Regarding Insurance. At its own expense Lessee shall either cause casualty insurance to be carried and maintained, sufficient to replace each item of Equipment and to protect Lessor from liability in all events, or provide self-insurance with respect thereto, subject to applicable law and Nonappropriation. Any insurance policy maintained pursuant to this Section 5.17 shall be so written or endorsed as to make losses, if any, payable to Lessee and Lessor as their respective interests may appear but the Lessee shall have the right to administer and approve all settlements thereunder without the necessity of the Lessor's participation or consent. The Net Proceeds of any such insurance or self-insurance shall be applied as provided in Section 5.18 and Section 5.19 hereof.

Section 5.18. Damage, Destruction or Condemnation. If prior to the termination of the Lease Term for any Equipment Group, any item of Equipment is destroyed or is damaged by fire or other casualty, or title to, or the temporary use of, such item of Equipment shall be taken under the exercise of the power of eminent domain, the Lessee shall within 60 days after such damage, destruction or condemnation elect one of the following two options by written notice to the Lessor:

(a) Option A - Repair, Restoration or Replacement. Lessee will cause the Net Proceeds of any insurance or self-insurance claim or condemnation award to be applied to the prompt repair, restoration, or replacement (in which case such replacement of any item of Equipment shall become subject to the provisions of this Lease Agreement as fully as if it were the originally leased item of Equipment) of such item of Equipment. Any such Net Proceeds received by the Lessee or Lessor shall be applied by the Lessee to complete the payment of the cost of such repair, restoration or replacement. Any balance of the Net Proceeds remaining after the repair, restoration or replacement shall be the property of the Lessee.

(b) Option B - Prepayment of Lease Payments. Lessee will cause the Net Proceeds of any insurance or self-insurance claim or condemnation award to be applied to the prepayment of all Lease Payments applicable to the Equipment Group of which such item of Equipment is a part. Such prepayment price shall be an amount equal to the Purchase Option Price applicable to such Equipment Group as of the next occurring Lease Payment Date (and determined following the payment of the Lease Payment for such Equipment Group on such Lease Payment Date), without prepayment premium or penalty. Any balance of the Net Proceeds remaining after the payment of such prepayment price shall be the property of the Lessee.

Section 5.19. Insufficiency of Net Proceeds.

(a) If Lessee elects to repair, restore or replace any item of Equipment under the terms of Section 5.18(a) hereof and the Net Proceeds therefor are insufficient to pay in full the cost of such repair, restoration or replacement, Lessee shall, subject to Nonappropriation, complete the work and pay any cost in excess of the amount of the Net Proceeds, and Lessee agrees that, if by reason of any such insufficiency of the Net Proceeds Lessee shall make any payments pursuant to the provisions of this Section, Lessee shall not be entitled to any reimbursement therefor from Lessor nor shall Lessee be entitled to any diminution of the amounts payable under this Lease Agreement.

(b) If Lessee elects to prepay the Lease Payments with respect to any Equipment Group pursuant to the terms of Section 5.18(b) hereof, and the Net Proceeds therefor are less than the prepayment price set forth in Section 5.18(b) hereof, Lessee shall, subject to Nonappropriation, pay to Lessor on the next occurring Lease Payment Date the additional amount required to equal such prepayment price.

Section 5.20. Intellectual Property Infringement. Lessor hereby assigns to Lessee for and during the Term of this Lease all of its interest in patent, copyright and any other intellectual property indemnity protection provided by any vendor or manufacturer with respect to any item of Equipment. Such assignment of indemnity protection by Lessor to Lessee shall constitute the entire liability of Lessor for any patent infringement by any item of Equipment furnished pursuant to this Lease.

ARTICLE VI

TITLE

Section 6.1. Title to Equipment. During the term of this Lease Agreement, legal title to all Equipment and any and all additions, repairs, replacements or modifications thereto shall be in the name of Lessee.

Section 6.2. Liens. During the Lease Term of each Equipment Group, Lessee shall not, directly or indirectly, create, incur, assume or suffer to exist any lien, pledge or encumbrance on or with respect to such Equipment Group, other than Permitted Encumbrances. Lessee shall reimburse Lessor for any reasonable and necessary expense incurred by Lessor to discharge or remove any lien, pledge, or encumbrance other than Permitted Encumbrances.

Section 6.3. Permits and Licenses. Lessee shall obtain or cause to be obtained all permits and licenses, if any, necessary for the installation and operation of each item of Equipment.

Section 6.4. Use of the Equipment. Lessee will not install, use, operate or maintain any item of Equipment in violation of any applicable law or in a manner contrary to that contemplated by this Lease Agreement; provided however, that Lessee may contest in good faith the validity or application of any law in any reasonable manner that does not adversely affect the estate of Lessor in and to any item of Equipment or its interest or rights under this Lease Agreement.

Section 6.5. Security Interest. Only to the extent permitted by law, Lessee hereby grants the Lessor a security interest in those items of each Equipment Group that are deemed personal property pursuant to applicable law, the proceeds thereof and all repairs, replacements, substitutions and modifications thereto or thereof in order to secure Lessee's payment of all Lease Payments with respect thereto due during the term of this Lease Agreement with respect thereto and the performance of all other obligations herein to be performed by Lessee with respect thereto. Lessee will join with the Lessor in executing such financing statements or other documents and will perform such acts as are required to establish and maintain a valid security interest in each Equipment Group.

ARTICLE VII

SALE, ASSIGNMENT, SUBLEASING, SUBSTITUTION AND OPTION TO PURCHASE

Section 7.1. Assignment by Lessor; Certificates of Participation. Neither this Lease Agreement nor the right to receive Aggregate Lease Payments or Lease Payments hereunder may be assigned by Lessor without Lessee's written consent nor may the Lessee be required to cooperate in any manner in the issuance of certificates of participation, trust certificates or other interests in any Aggregate Lease Payments or Lease Payments hereunder; provided, however; Lessee may, in the sole discretion of the Treasurer, provide such consent or cooperate in connection with any such assignment subject to the satisfaction of at least the following conditions precedent:

- (a) Such assignment shall not be effectuated at a time which may adversely affect in any manner the timing or coordination of other financing activities of the State or any board, commission, bureau, division, office, department, branch or other agency thereof;
- (b) The Lessee shall receive, at the expense of the Lessor, a written opinion of nationally recognized bond counsel selected by Lessee to the effect that such assignment (i) shall not adversely affect the exclusion of interest payments from gross income of any taxpayer holding, owning, or purchasing a right to receive, directly or indirectly, Aggregate Lease Payments or Lease Payments; and (ii) shall not have the effect of imposing any additional obligation or expense on the Lessee, including (A) any obligation or expense regarding arbitrage accounting or arbitrage rebate payments under Section 148 of the Code or (B) any obligation or expense arising under Federal or state securities laws and regulations (including, without limitation, continuing disclosure obligations pursuant to Rule 15c2-12 of the Securities and Exchange Commission promulgated under the Securities Exchange Act of 1934);
- (c) Lessee shall receive evidence satisfactory to Lessee that the assignee has agreed to the terms of this Lease, including this Section 7.1;
- (d) Lessee shall receive evidence satisfactory to Lessee that the assignment of the Lease or Aggregate Lease Payments or Lease Payments, if any, does not require registration under the Securities Act of 1933, as amended, and any applicable state blue sky laws or, if registration is required, it has been obtained at no expense to Lessee;
- (e) Lessee or any other representative of the State or any board, commission, bureau, division, office, department, branch or other agency thereof, shall not be required to file a written consent to service of process in any jurisdiction; and
- (f) Lessee shall receive an investment letter from the assignee in the form attached hereto as Exhibit 5.

Section 7.2. Sale, Assignment or Subleasing. Neither this Lease Agreement nor the interest of Lessee in any Equipment Group may be sold, assigned or subleased by Lessee without the consent of the Lessor. However, nothing contained herein shall preclude Lessee, and Lessee is hereby granted the option, to transfer the use of any Equipment Group from the State Agency named in the Equipment Identification Certificate corresponding to such Equipment Group to any other State Agency, provided that Lessee shall first execute with Lessor an appropriate amendment to the Equipment Identification Certificate to redesignate the State Agency using such Equipment Group.

Section 7.3. Lessee's Prepayment and Purchase Option. Lessee is hereby granted the option to prepay in whole and purchase all Equipment Groups leased hereunder on any date and prepay in part and purchase any Equipment Group on any Lease Payment Date, by payment of the then applicable Purchase Option Price and any other amounts with respect thereto then due hereunder and remaining unpaid. Said option shall be exercised by Lessee by giving written notice to Lessor of the exercise of such option at least fourteen (14) days prior to the date on which the Purchase Option Price is to be paid. Such option shall be exercised in the event of prepayment in full, by depositing on the date of exercise, cash or such other obligations as provided by Section 7.4 hereof, in the amount sufficient to pay the applicable Purchase Option Price on the date established for the payment to the Lessor together with any amounts then due hereunder but unpaid, or, in the event of prepayment in part, by depositing on the date of exercise an amount equal to the amount to be prepaid, together with any amounts then due hereunder with respect to such Equipment Group but unpaid. Further, Lessee is hereby granted the option to partially prepay the Lease Payments with respect to any Equipment Group on a Lease Payment Date up to __ times per year by forwarding the amount to be prepaid and executing an amendment to the Amortization Summary Sheet, as requested.

Section 7.4. Defeasance. Lessee may on any date deposit with the Lessor, as escrow holder: (i) an amount which is sufficient to pay all unpaid Lease Payments with respect to any Equipment Group, including the principal and interest components thereof, or (ii) Security Deposit Obligations, together with cash, if required, in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon, be sufficient (a) to pay all unpaid Lease Payments with respect to any Equipment Group to and including the next Lease Payment Date for which the Lessee has elected to exercise its Purchase Option under Section 7.3 hereof together with (b) an amount equal to the Purchase Option Price and other amounts payable as of such Lease Payment Date with respect to such Equipment Group, all in compliance with Section 7.3 hereof as Lessee shall instruct at the time of said deposit. In the event of a deposit pursuant to this Section 7.4, all covenants, agreements and other obligations of the Lessee under this Lease Agreement with respect to such Equipment Group shall cease, terminate and become void and be discharged and satisfied, and the Lessor's security interest, leasehold interest and any other interests in such Equipment shall terminate. In such event, the Lessor shall execute and deliver to the Lessee all such instruments and documents as may be desirable to evidence such discharge and satisfaction and to vest all of Lessor's right, title and interest in and to such Equipment Group in Lessee, free and clear of all liens, leasehold interests, and encumbrances.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

Section 8.1. Events of Default Defined. The following shall be "events of default" under this Lease Agreement and the terms "event of default" and "default" shall mean, whenever they are used in this Lease Agreement, any one or more of the following events:

(a) Except in the event of Nonappropriation, failure by Lessee to pay in full any Lease Payment with respect to any Equipment Group or any other payment or amount required to be paid hereunder within three (3) business days of the due date therefor specified herein; or

(b) Failure by Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in Section 8.1(a), for a period of sixty (60) days after written notice specifying such failure and requesting that it be remedied is given to Lessee by Lessor, unless Lessor shall agree in writing to an extension of such time prior to its expiration, which agreement shall not be unreasonably withheld.

The provisions of this Section 8.1 are subject to the following limitation: if by reason of force majeure Lessee is unable in whole or in part to carry out any obligation under this Lease Agreement, Lessee shall not be deemed in default during the continuance of such inability. The term "force majeure" as used herein shall mean, without limitation, the following: acts of God, strikes, lockouts or other industrial disturbances; acts of public enemies, orders or restraints of any kind of the government of the United States of America or of the State or any of their departments, agencies or officials, or any civil or military authority; insurrections; riots; landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accident to machinery, transmission pipes or canals, or any other cause or event which is beyond the control of Lessee.

Notwithstanding that this Section 8.1 does not provide that it shall be an event of default upon failure by the Lessor to perform its obligations under this Lease Agreement, upon such failure the Lessee shall have those rights specified in Section 5.3.

Section 8.2. Remedies on Default.

(a) Whenever any event of default referred to in Section 8.1 shall have happened and be continuing with respect to any Equipment Group, Lessor shall have the right, with or without terminating this Lease Agreement, to take possession of the Equipment Group as to which such default has occurred by giving Lessee written notice to deliver such Equipment Group to Lessor, whereupon Lessee shall do so in accordance with Section 5.6; or in the event Lessee fails to do so within sixty (60) days after receipt of such notice, Lessor may enter upon Lessee's premises where such Equipment Group is kept and take possession of the Equipment Group and charge Lessee for costs incurred in repossessing the Equipment Group, including reasonable attorneys' fees. Permission for entry to take possession must be obtained from the Lessee; such permission will not be unreasonably withheld. If this Lease has not been terminated with respect to such Equipment Group, Lessor shall return and shall transfer all right, title and interest in and to the Equipment Group to Lessee at Lessee's expense when the event of default is cured. This Subsection 8.2(a) shall not apply to any item or part of any Equipment Group that cannot be removed without damage to the property or site on which the Equipment Group is installed.

(b) If Lessor terminates this Lease and takes possession of any Equipment Group, Lessor shall within thirty (30) days thereafter use its best efforts to sell the Equipment Group or any portion thereof in a commercially reasonable manner at public or private sale in accordance with applicable State laws.

Lessor shall apply the proceeds of such sale to pay the following items in the following order: (i) all costs reasonably incurred in securing possession of the Equipment Group; (ii) all expenses reasonably incurred in completing the sale; (iii) the applicable Purchase Option Price of the Equipment Group and any other amounts owed by Lessee hereunder during the Fiscal Year then in effect with respect to the Equipment Group. Any sale proceeds remaining after the requirements of Clauses (i), (ii), and (iii) have been met shall be paid to and retained by Lessee.

(c) If the proceeds of sale of the Equipment Group are not sufficient to pay the balance of any Lease Payments owed by Lessee during the Fiscal Year then in effect with respect thereto, Lessor may take any other remedy available at law or in equity to require Lessee to perform any of its obligations hereunder.

(d) In no event, however, shall the Lessee be liable under this Lease Agreement, including without limitation, Article VIII, for any damages, expenses or other amounts in excess of any funds legally appropriated and available to Lessee for the purposes of paying Lease Payments or other obligations of Lessee hereunder.

MISCELLANEOUS

If to Lessee: Office of the Treasurer
State Capitol, Room 114
1007 East Grand Avenue
Des Moines, Iowa 50319-0005

- At the time it is actually received;
- Within one day in the case of overnight hand delivery, courier or services such as
- Federal Express, with guaranteed next day delivery;
- Within five days after deposited in the U.S. Mail in the case of registered U.S. Mail.

Section 9.6. Venue and Applicable Law. Any and all litigation or actions commenced in connection with this Lease Agreement shall be brought only in Des Moines, Iowa in Polk County District Court, or, if a matter of federal jurisdiction, shall be brought only in the United States District Court for the Southern District of Iowa, Central Division. This Lease Agreement shall be governed by and

construed in accordance with the laws of the State, without regard to the choice of law provisions of Iowa law.

Section 9.7. Captions. The captions or headings in this Lease Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Lease Agreement.

Section 9.8. Interest. All interest calculations hereunder shall be made on the basis of a 360-day year with twelve 30-day months.

Section 9.9. Sovereign Immunity. Nothing contained in this Lease Agreement is intended to be or shall be construed to in any manner waive or otherwise limit any sovereign immunity of the State.

Section 9.10 Third Party Beneficiaries. There are no third party beneficiaries to this Lease Agreement. This Lease Agreement is intended only to benefit the State of Iowa, the Lessee, State Agencies using this Agreement, and Lessor and any permitted assignee of Lessor.

Section 9.11 Integration. This Lease Agreement, including the documents incorporated under Section 9.16 herein, represents the entire agreement between the parties and neither party is relying on any representation which may have been made which is not included in this Lease Agreement.

Section 9.12 Not a Joint Venture. Nothing in this Lease Agreement shall be construed as creating or constituting the relationship of a partnership, joint venture, (or other association of any kind or agent/principal relationship) between the parties hereto. Each party shall be deemed to be an independent contractor contracting for services and acting toward the mutual benefits expected to be derived herefrom. No party, unless otherwise specifically provided for herein, has the authority to enter into any contract or create an obligation or liability on behalf of, in the name of, or binding upon another party to this Lease Agreement.

Section 9.13 Waiver. Except as specifically provided for in a waiver signed by duly authorized representatives of Lessee and representatives of Lessor, failure by the parties at any time to require performance by the other party or to claim a breach of any provision of the Lease Agreement shall not be construed as affecting any subsequent breach or the right to require performance with respect thereto or to claim a breach with respect thereto.

Section 9.14 Cumulative Rights. Except as provided in Section 5.6, the various rights, powers, options, elections and remedies of either party, provided in this Lease Agreement, shall be construed as cumulative and no one of them is exclusive of the others or exclusive of any rights, remedies or priorities allowed either party by law, and shall in no way affect or impair the right of either party to pursue any other equitable or legal remedy to which either party may be entitled.

Section 9.15 Further Assurances and Corrective Instruments. The parties agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the expressed intention of this Lease Agreement.

Section 9.16 Incorporation. The Request for Proposal (RFP) issued on November 2, 2012 (including any modifications or addendum) and the response by Lessor to the RFP are incorporated into this Lease Agreement by this reference as if fully set forth in this Lease Agreement. The terms and conditions of the RFP and Lessor's response to the RFP are made contractual obligations of Lessor as amended by this Lease Agreement.

(a) Order of Precedence. In the case of any inconsistency or conflict between the specific provisions of this Lease Agreement, the Escrow Agreement, the RFP and the response by Lessor to the RFP, any inconsistency or conflict shall be resolved by giving preference as follows:

- (i) First to the specific provisions of this Lease Agreement and the attachments hereto;
- (ii) Second, to the Escrow Agreement;
- (iii) Third, to the RFP;
- (iv) Fourth, to the response by Lessor to the RFP.

(b) Conflicting Language. In the event of a conflict of language among any of these components, terms and conditions set forth and/or referenced in this Lease Agreement shall prevail over conflicting terms and conditions contained in the earlier documents, in their original form or as amended. The terms and conditions of each component listed above will take precedent over each subsequent component. Lessee reserves the right to clarify any contractual relationship in writing, with the concurrence of Lessor, and such clarifications shall govern in case of conflict between the Lease Agreement components.

(c) No Inconsistency. The failure of the parties to make reference to the specific terms of the RFP or to the response by Lessor to the RFP in this Lease Agreement, shall not be construed as creating a conflict with this Lease Agreement and will not relieve Lessor of the contractual obligations imposed by the terms of the RFP or the response by Lessor to the RFP. Terms offered in the proposal by Lessor that exceed the requirements of the RFP shall not be construed as creating an inconsistency or conflict with the RFP or this Lease Agreement. The contractual obligations of Lessee cannot be implied from the response by Lessor to the RFP.

(d) Consistent with the terms of the RFP, the Lessor agrees to finance and lease such personal property and equipment as may be requested by Lessee for a period of at least four (4) years from the date of this Lease Agreement, pursuant to the terms and conditions of this Agreement. The Lessor further agrees that Lessee may, at its sole option and at no additional cost, extend Lessor's obligation to finance and lease personal property and equipment hereunder for up to two additional one-year periods following expiration of the initial four-year period by providing Lessor with written notice of Lessee's intention to extend the period of new leases/financings hereunder. All terms and conditions of this Lease Agreement shall continue to apply to all leases and financings occurring during any extensions beyond the initial four-year period.

Section 9.17. State Audits. The books, records, documents, and accounting procedures and practices of the Lessor relevant to this Lease Agreement shall be subject to examination by the Lessee, the State Auditor or the Comptroller of the Currency, if federal funds are involved. Lessor shall maintain and retain all of the books, documents and records relating to this Lease Agreement for a period of three (3) years after the termination of this Lease Agreement pursuant to Section 5.14.

Section 9.18. Compliance with Law and Regulation. Lessor shall comply with all applicable federal, state and local laws, rules, ordinances, regulations and orders while performing within the scope of this Lease Agreement. Lessee may consider the failure of Lessor to comply with any law or regulation as a breach of a material term of this Lease Agreement.

Section 9.19. Indemnification. Lessor agrees to defend, indemnify and hold the State and Lessee harmless from any and all claims, actions, liabilities, damages, deficiencies, judgments, costs and expenses, including the reasonable value of time for the Attorney General's Office, and the costs and

expenses and attorney fees of other counsel required to represent the State and the Lessee, in any manner related to or arising from:

- (a) Any violation or breach of any term, requirement, covenant, warranty or representation of Lessor contained in this Lease Agreement;
- (b) Any negligent or wrongful acts or omissions of Lessor, its officers, directors, employees, agents, and contractors were subcontractors to any other reason in connection with the services provided under this Lease Agreement; or
- (c) Lessor's performance or attempted performance of this Lease Agreement;
- (d) Any failure by Lessor to comply with any applicable state, local, and federal laws and regulations.

Lessor's indemnification obligations under this Lease Agreement shall survive the termination of this Lease Agreement.

Section 9.20. Limitation of the Liability. Notwithstanding any other provision herein to the contrary, no officer, official, employee, or agent of the State shall at any time be liable or responsible for any claim against the Lessee or Lessor; for the payment of any Lease Payment or other amount due which may be due or payable hereunder; for the performance of any other obligation of Lessee under this Lease Agreement; or for any of the representations, warranties, covenants or other obligations of the parties hereunder or in any of the certificates, notices, or other instruments delivered pursuant to this Lease Agreement.

Section 9.21. No Subordination of Lessee's Title to Real Estate. No provision of this Lease Agreement shall be construed as in any way subordinating, conveying or agreeing to convey, or otherwise adversely affecting the State's fee simple interest in, or title to, any of the existing land, buildings, or fixtures currently owned by the State where the Equipment will be located or installed.

IN WITNESS WHEREOF, Lessor has caused this Lease Agreement to be executed and attested by its duly authorized officer, and Lessee has caused this Lease Agreement to be executed in its name by its Treasurer all as of the date set forth above.

STATE OF IOWA
(acting by and through its Treasurer)

By _____
Michael L. Fitzgerald
Treasurer of State

[LESSOR]

By _____
Name
Title

Request for Disbursement

Disbursement No. ____

You are hereby requested, authorized and directed by the undersigned to electronically transfer the amounts specified below, to the persons or entities specified below as vendors or as escrow agent, at the accounts and financial institutions specified below, pursuant to the terms of the Master Equipment Lease Purchase Agreement (the "Lease") with the State of Iowa (acting by and through the Treasurer) dated _____. Attached please find applicable Equipment Identification Certificates describing the Equipment Group(s) subject to this Request for Disbursement. You are further requested, authorized and directed to prepare the Amortization Summary Sheet(s) applicable to each such Equipment Group. Disbursement should occur in immediate available funds on _____.

Lessee represents that no Event of Default as defined in the Lease Agreement has occurred or is continuing. Lessee further represents that all the representations, warranties and covenants of the Lease Agreement remain in full force and effect.

Date

Payee or Escrow Agent:

Federal ID Number:

Amount:

Bank and Account Information:

Equipment Identification Certificate #: _____

Master Lease Purchase Agreement
Between
The State of Iowa and
[name of Lessor]

Agency Info. -- Number:
 Name:

Equipment Info. -- Description:
 Vendor:
 Purchasing Authority:
 Serial Number/s:
 Location on installation:

Invoice Info. --	Date:	Number:	Amount:
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	Total		_____

Financial Info. -- Purchase Price:
 Useful Life:
 Amount Financed:
 Amortization Period: _____ Months
 Total Term: _____ Months

The undersigned, on behalf of Lessee, confirms that the equipment described above has been delivered to and received by the Lessee; that all installation or other work necessary prior to the use thereof has been or will be completed; that such equipment has been examined and/or tested and is in good operating order and condition and is in all respects satisfactory to the Lessee and as represented, and that said equipment has been accepted by the Lessee, that the Costs to be paid for the acquisition of such equipment do not include reimbursement for expenditures made prior to the date hereof, provided however, that nothing herein shall constitute a waiver of, or limitation on, any claims against any seller, vendor, installer, contractor or other provider of equipment or services related to the purchase, shipment, delivery, installation or maintenance of the above referenced equipment.

Approved: By _____
 Title _____
 Agency _____

Based upon the representations made above, payment to the vendor named above or to the Escrow Agent and in the amount specified above is hereby authorized.

By _____
Authorized State Representative

EXHIBIT 3

Disbursement #: _____

Master Lease Purchase Agreement
Between
The State of Iowa and

AMORTIZATION SUMMARY SHEET

Disbursement #: _____

Costs Funded: _____

Interest Rate: _____%

Lease Payment <u>No.</u>	Total Payment <u>Payment</u>	<u>Interest</u>	<u>Principal</u>	Purchase Option <u>Price</u>	Lease Payment <u>Date</u>
--------------------------------	------------------------------------	-----------------	------------------	------------------------------------	---------------------------------

CERTIFICATE OF INCUMBENCY

I certify that (i) the individuals named below are the duly appointed officers of the Lessee, holding the offices set forth opposite their respective names, (ii) the signatures set opposite their respective names and titles are true and authentic signatures and (iii) such officers have the authority on behalf of the Lessee to enter into all documentation connected with the Master Equipment Lease Purchase Agreement dated as of [_____, 2013] by and between the State of Iowa (acting by and through the Treasurer) and [name of Lessor].

Name	Title	Signature
Stefanie Devin	Deputy Treasurer	_____
Karen Austin	Deputy Treasurer	_____
Jina Bresson	Executive Officer	_____
Tyler Christiansen	Investment Officer	_____
Jenna Deutmeyer	Investment Officer	_____

IN WITNESS WHEREOF, I have duly executed this certificate this ____ day of _____, 2013.

State of Iowa

By: _____
Michael L. Fitzgerald
Treasurer of State

[Addressed to Lessor]

Re: Master Lease Purchase Agreement
dated [_____, 2013] by and between the State of Iowa
(acting by and through the Treasurer) (the "Lessee")
and [_____] (the "Lessor")

Ladies and Gentlemen:

The undersigned, purchaser of an interest in the above-captioned Master Equipment Lease Purchase Agreement (the "Lease") described as _____ hereby represents to you that:

1. We have sufficient knowledge and experience in financial and business matters to be able to evaluate the risks and merits of the investment in the Lease described above.
2. We understand that no offering statement, prospectus, offering circular or other comprehensive offering statement containing material information with respect to the Lease and Lessee is being issued and that, in due diligence, we have made our own inquiry and analysis with respect to the Lessee, the Lease and the security therefor and other material factors affecting the security and payment of the Lease.
3. We understand that the Lease contains a non-appropriation provision that gives the Lessee the option to terminate the Lease (or certain portions thereof), without further obligation, at the end of each fiscal year of the Lessee in the event sufficient moneys are not appropriated by the General Assembly or made available by the Governor to make the Lease Payments due in the next succeeding fiscal year of the Lessee.
4. We acknowledge that we have either been supplied with or have access to information, including the Lease and documentation relating thereto, financial statements, and other financial information, to which a reasonable investor would attach significance in making investment decisions, and we have had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Lessee and the Lease and the security therefor so that as a reasonable investor, we have been able to make our decision to purchase the interest in the Lease described herein. We also understand and hereby agree to all of the terms of the Lease.
5. We understand that the Lease and the interest described above (a) are not being registered under the Securities Act of 1933 and are not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of an state and (b) will not be listed on any stock or other securities exchange.
6. We represent to you that we are not purchasing the interest in the Lease described above with a view to resale or other distribution thereof to the public. The disposition of our property, of course, shall at all times remain within our control.
7. We understand and agree that neither the State of Iowa, nor any of its agencies, officers or employees, has participated in any manner whatsoever in the offering or sale of the interest in

the Lease purchased by us, and that in no event shall we have any cause of action or remedy whatsoever against the State of Iowa, or any of its agencies, officers or employees, arising under any federal or state securities law or regulation and relating to the offer or sale of such interest in the Lease purchased by us. We further agree that the State of Iowa, and its agencies, officers and employees, may rely upon the statements made by us in this investment letter.

[Paragraph 8 is applicable only to individuals]

8. I represent to you that I am an individual whose net worth, or joint net worth with that of my spouse, exceeds \$1,000,000 or that I have had an individual income in excess of \$200,000 in each of the two most recent years and reasonably expect an income in excess of \$200,000 in the current year.

Dated: _____

EXHIBIT 6

Form of Opinion of Counsel to Lessee

ESCROW AGREEMENT

This Escrow Agreement, dated as of _____, by and among _____, a _____ corporation ("Lessor") and the State of Iowa, acting by and through the Treasurer ("Lessee"), and _____, a national banking association with a corporate trust office in _____, as Escrow Agent (the "Escrow Agent"):

In consideration of the mutual covenants and agreements herein set forth, the parties hereto do hereby covenant and agree as follows:

1. This Escrow Agreement relates to and is hereby made a part of the Master Lease Purchase Agreement (the "Lease"), dated as of _____, between _____ as Lessor ("Lessor") and Lessee. The terms of this Escrow Agreement relate to the Equipment Group, as defined in paragraph 3 below. Except as otherwise defined herein, all terms defined in the Lease shall have the same meaning for the purposes of this Escrow Agreement as in the Lease.

2. There is hereby established in the custody of Escrow Agent a separate escrow account (the "Acquisition Account") to be held and administered by the Escrow Agent in trust for the benefit of Lessor and Lessee in accordance with this Escrow Agreement. Escrow Agent shall deposit _____ (the "Acquisition Deposit") in the Acquisition Account. Moneys held by Escrow Agent hereunder shall be invested and reinvested by Escrow Agent in investments approved by the Lessee from time to time. Such investments and reinvestments shall be made giving full consideration for the time at which funds are required to be available and shall be held by the Escrow Agent in the Acquisition Account. Interest earned on the Acquisition Account will be deposited to the Acquisition Account. Any loss or expense incurred from an investment will be borne by the Acquisition Account. The Acquisition Account, and all moneys, funds and investments held therein, shall be kept separate and apart from all other moneys, funds and investments held by or of Escrow Agent. Moneys, funds and investments held by Escrow Agent in the Acquisition Account shall not be subject to any lien, claim, encumbrance, levy, attachment, right of setoff or other right by or on behalf of Escrow Agent or Lessor.

3. Moneys, funds and investments in the Acquisition Account shall be used to pay for the cost of the acquisition of the Equipment described in Equipment Identification Certificate Exhibit 2 ("Equipment Group"), which is attached hereto. Escrow Agent shall make payment from the Acquisition Account for the Cost of acquisition of part or all of the Equipment in the Equipment Group upon presentation to Escrow Agent of one or more properly executed Payment Request and Acceptance Certificates, a form of which is attached hereto, executed by Lessee, together with an invoice for the Cost of the acquisition of the Equipment in the Equipment Group for which payment is requested. Such payment shall be timely made by Escrow Agent to the person or entity entitled to payment as specified in the Payment Request and Acceptance Certificate. Except as provided in Sections 3 and 5 hereof, all moneys, funds and investments in the Acquisition Account shall be disbursed only for the payment of Costs of the Equipment Group. After all Equipment in the Equipment Group has been delivered to Lessee, Lessee shall present to the Escrow Agent a proper Payment Request and Acceptance Certificate with the portion thereof designated "Final Acceptance Certificate" properly executed by Lessee. Upon receipt by the Escrow Agent of same, the Escrow Agent, after paying or providing for payment of any remaining Costs set forth in the Payment Request and Acceptance Certificate, shall disburse any amounts remaining in the Acquisition Account to the Lessee or to its order, and shall close the Acquisition Account.

In the event that the Lease for the Equipment Group is terminated in accordance with Section 5.8 thereof while any moneys, funds or investments remain in the Acquisition Account, the Escrow Agent shall:

(a) if the termination is pursuant to either Section 5.8(a) or 5.8(b) of the Lease, forthwith close the Acquisition Account and assign, transfer and pay all moneys, funds and investments therein to the Lessor or to its order; or

(b) if the termination is pursuant to either Section 5.8(c) or Section 5.8(d) of the Lease, forthwith close the Acquisition Account and assign, transfer and pay all moneys, funds and investments therein to the Lessee or to its order.

4. Notwithstanding any provision contained herein to the contrary:

(a) The Escrow Agent may act in reliance upon any writing or instrument or signature which it, in good faith, believes to be genuine, may assume the validity and accuracy of any statement or assertion contained in such a writing or instrument, and may assume that any person purporting to give any writing, notice, advice or instructions in connection with the provisions hereof has been duly authorized to do so. The Escrow Agent shall not be liable in any manner for the sufficiency or correctness as to form, manner and execution, or validity of any instrument deposited with it, nor as to the identity, authority or right of any person executing the same; and its duties hereunder shall be limited to those specifically provided herein.

(b) Unless the Escrow Agent is guilty of willful misconduct or negligence with regard to its duties hereunder, Lessee shall, only to the extent consistent with and permitted by Article VII, Section 1 of the Iowa Constitution and Iowa Code Chapter 669, indemnify the Escrow Agent from and against any claim, as defined in Iowa Code Section 669.2, caused directly by the negligent or wrongful acts or omissions of any employee of the Lessee while acting within the scope of the employee's office or employment in connection with the performance of this Escrow Agreement. Escrow Agent agrees that any claim for which indemnification is sought pursuant to this Section 4(b) will be subject to the provisions of Iowa Code Chapter 669 and 543 Iowa Admin. Code 1, including, without limitation, those provisions which address the making and filing of claims.

If the Lessee makes any indemnity payments to the Escrow Agent pursuant to this Section 4(b) and the Escrow Agent thereafter collects or recovers all or a portion of such amounts from any person or third party, including from any insurance carrier, Escrow Agent shall promptly repay such collected or recovered amounts to the Lessee.

(c) If there shall be disagreement about the interpretation of the Lease or this Escrow Agreement, or about the rights and obligations, or the propriety of any action contemplated by the Escrow Agent hereunder, the Escrow Agent may, but shall not be required to, file an appropriate civil action to resolve the disagreement. The Escrow Agent may suspend all or part of its activities under this Escrow Agreement until a final judgment in such action is received.

(d) The Escrow Agent shall only have those duties as are specifically provided herein. This Escrow Agreement sets forth all matters pertinent to the escrow contemplated hereunder, and no additional obligations of Escrow Agent shall be inferred from the terms of this Escrow Agreement;

(e) The Escrow Agent shall have the right, but not the obligation, to consult with nationally-recognized counsel of its choice and shall not be liable for action reasonably taken or omitted to be taken by Escrow Agent in accordance with the advise of such counsel;

(f) The Escrow Agent, with the advance consent of Lessee, shall have the right to perform any of its duties hereunder through agents, attorneys, or nominees; and

(g) Notwithstanding any provisions herein to the contrary, nothing herein should be construed to relieve Escrow Agent from responsibility or liability for any loss arising from Escrow Agent's wrongful or negligent act or failure to act, bad faith, breach of this Escrow Agreement or breach of trust.

5. If and when the Acquisition Account shall have been closed and all moneys, funds and investments disbursed therefrom in accordance with Section 3 hereof, the right, title and interest of the Escrow Agent and the Lessor under this Escrow Agreement shall thereupon cease, terminate and become void, and the Escrow Agent shall assign, transfer and pay to or upon the order of the Lessee any monies, funds and investments then held by the Escrow Agent in the Acquisition Account and shall execute such documents as may be reasonably required by the Lessee in this regard.

6. Escrow Agent may at any time resign by giving at least 30 days written notice to Lessee, but such resignation shall not take effect until the appointment of a successor Escrow Agent. In the event of any resignation of Escrow Agent, a successor Escrow Agent shall be appointed by an instrument in writing executed by Escrow Agent and Lessee. Such successor Escrow Agent shall indicate its acceptance of such appointment by an instrument in writing delivered to Lessee and Escrow Agent. Thereupon such successor Escrow Agent shall, without any further act or deed, be fully vested with all the trust, powers, rights, duties and obligations of Escrow Agent hereunder and the predecessor Escrow Agent shall deliver all moneys and securities held by it hereunder to such successor Escrow Agent.

7. Lessee may terminate the services of Escrow Agent hereunder by giving at least three (3) business days written notice to Escrow Agent, but such termination shall not take effect until the appointment of a successor Escrow Agent. In the event of any termination of Escrow Agent, a successor Escrow Agent shall be appointed by an instrument in writing executed by Escrow Agent and Lessee. Such successor Escrow Agent shall indicate its acceptance of such appointment by an instrument in writing delivered to Lessee and Escrow Agent. Thereupon such successor Escrow Agent shall, without any further act or deed, be fully vested with all the trust, powers, rights, duties and obligations of Escrow Agent hereunder and the predecessor Escrow Agent shall deliver all moneys and securities held by it hereunder to such successor Escrow Agent.

8. Escrow Agent incurs no liability to make any disbursements pursuant to this Escrow Agreement except from funds held in the Acquisition Account. In the event Escrow Agent becomes involved in litigation by reason of the administration of the Acquisition Account, it is hereby authorized to deposit with the appropriate Clerk of the Court, in which the litigation is pending, any and all funds, securities or other property held by it pursuant hereto, less its reasonable fees, expenses and advances, and thereupon shall stand fully relieved and discharged of any further duties regarding the Acquisition Account.

9. Notices. Except as provided herein, any and all notices, designations, consents, offers, acceptances or any other communication provided for herein shall be given in writing by registered or certified mail, return receipt requested, or by receipted hand delivery, by Federal Express, courier or other similar and reliable carrier which shall be addressed to each party as set forth as follows:

If to Lessee: Office of the Treasurer
 State Capitol, Room 114
 1007 East Grand Avenue
 Des Moines, Iowa 50319-0005

If to Lessor:

If to Escrow Agent:

Each such notice shall be deemed to have been provided:

- At the time it is actually received;
- Within one day in the case of overnight hand delivery, courier or services such as Federal Express with guaranteed next day delivery;
- Within five days after deposited in the U.S. Mail in the case of registered U.S. Mail.
- Copies of such notice to each party shall be provided separately.

From time to time, the parties may change the name and address of a party designated to receive notice. Such change of the designated person shall be in writing to the other party and as provided herein.

10. Severability. In the event any provision of this Escrow Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

11. Amendments. The terms of this Escrow Agreement shall not be waived, altered, modified, supplemented or amended in any manner whatsoever except by written instrument signed by the Escrow Agent, Lessor, and the Lessee.

12. Execution in Counterparts. This Escrow Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

13. Venue and Applicable Law. Any action in any manner arising hereunder shall be filed in Iowa District Court in Polk County, Iowa, or, if a matter of federal jurisdiction, shall be filed in the United States District Court for the Southern District of Iowa, Central Division. This Escrow Agreement shall be governed by and construed in accordance with the laws of the State without regard to the choice of law provisions of Iowa law.

14. Sovereign Immunity. Nothing contained in this Escrow Agreement is intended to be or shall be construed to in any manner to waive or otherwise limit any sovereign immunity of the State.

15. Third Party Beneficiaries. There are no third party beneficiaries to this Escrow Agreement. This Escrow Agreement is intended only to benefit the State of Iowa, the Lessee, the State Agencies using this Agreement, the Lessor, and Escrow Agent and any permitted assignee of Escrow Agent.

16. Waiver. Except as specifically provided for in a waiver signed by duly authorized representatives of Lessee and representatives of Escrow Agent, failure by the parties at any time to require performance by the other party or to claim a breach of any provision of the Escrow Agreement

shall not be construed as affecting any subsequent breach or the right to require performance with respect thereto or to claim a breach with respect thereto.

17. Cumulative Rights. The various rights, powers, options, elections and remedies of either party, provided in this Escrow Agreement, shall be construed as cumulative and no one of them is exclusive of the others or exclusive of any rights, remedies or priorities allowed either party by law, and shall in no way affect or impair the right of either party to pursue any other equitable or legal remedy to which either party may be entitled.

18. Further Assurances and Corrective Instruments. The parties agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the expressed intention of this Escrow Agreement.

19. Assignment. This Escrow Agreement shall not be assigned, transferred or conveyed in whole or in part by either party without the prior written consent of the other party.

20. Accounting. Escrow Agent shall furnish to Lessee a monthly accounting of all activity in the Acquisition Account, including, but not limited to, all deposits, investments and disbursements made with respect to the Acquisition Account.

21. Audits. The books, records, documents, and accounting procedures and practices of the Escrow Agent relevant to this Escrow Agreement shall be subject to examination by the Lessee or the State Auditor (or the Comptroller of the Currency, if federal funds are involved). Escrow Agent shall retain all of the books and records relating to this Escrow Agreement for a period of three (3) years after termination of the Acquisition Account.

22. Compensation of Escrow Agent. There shall be no fees or compensation payable by Lessee to Escrow Agent under this Escrow Agreement.

23. Compliance with Law and Regulations. Escrow Agent shall comply with all applicable federal, state and local laws, rules, ordinances, regulations and orders while performing its obligations under this Escrow Agreement.

IN WITNESS WHEREOF, Lessee and Escrow Agent have caused this Escrow Agreement to be executed by their duly authorized representatives.

State of Iowa (acting by and through its Treasurer)

LESSEE

ESCROW AGENT

By: _____

By: _____

Title: _____

Title: _____

LESSOR

By: _____

Title: _____

By _____
Authorized State Representative

FINAL ACCEPTANCE CERTIFICATE

(THIS CERTIFICATE IS TO BE EXECUTED ONLY WHEN ALL EQUIPMENT HAS BEEN ACCEPTED)

The undersigned hereby certifies that the equipment described above, together with the equipment described in and accepted by Payment Request and Acceptance Certificates previously filed by Lessee with the Lessor pursuant to the Agreement, constitutes all of the Equipment in the Equipment Group.

Approved: By _____
 Title _____
 Agency _____

Based upon the representations made above, the Final Acceptance Certificate is authorized.

By: _____
 Authorized State Representative